

## Message Text

CONFIDENTIAL

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17

ACTION EA-10

INFO OCT-01 ISO-00 EB-07 COME-00 L-03 H-02 AGR-05 CIAE-00

INR-07 NSAE-00 /035 W

----- 084243

R 080219Z JUL 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 9105

INFO AMCONGEN MELBOURNE

AMCONGEN HONG KONG

AMCONSUL SURABAYA

AMCONSUL MEDAN

C O N F I D E N T I A L JAKARTA 8172

E.O. 11652: GDS

TAGS: BDIS, ID

SUBJECT: CAMEO-NIXA TRADE COMPLAINT

REF: (A) STATE 154928

(B) JAKARTA 7605

(C) MELBOURNE 0826

1. AFTER SENDING REF (B) EMBOFF HAD SUBSEQUENT CONVERSATIONS WITH INDAUS (JAKARTA) REPRESENTATIVE AND INDAUS (AUSTRALIA) BOARD CHAIRMAN DAVID GILBERT. CONVERSATION WITH INDAUS (JAKARTA) REP SUBSTANTIALLY CONFIRMED FEARS EXPRESSED REF (B) PARA 5. APPARENTLY IN ORDER SECURE 100,000 TON UREA ORDER WORTH \$41.5 MILLION INDAUS (JAKARTA) GROUP HAD PROMISED DEPT. OF TRADE OFFICIALS "EXTRA CURRICULAR" PAYMENT. WHEN GUNN FAILED PAY COMMISSION ON FIRST 10,000 TON SHIPMENT INDAUS (JAKARTA) UNABLE MEET ITS COMMITMENTS TO HIGH LEVEL TRADE DEPT. OFFICIALS. THIS FAILURE TO PAY UP AS PROMISED LED TO CONSIDERABLE LOSS OF FACE--AND POSSIBLY BLACKLISTING--FOR INDAUS (JAKARTA) GROUP AND TO CANCELLATION REMAINING 90,000 TON ORDER. INDAUS (JAKARTA) REP ALSO SHOWED EMBOFF LETTER FROM LOUIS DIBALSI, PRESIDENT OF MILFORD CHEMICAL AND SOLVENT CORP, CONFIRMING THAT WILLIAM HOUSSAIN (REF (B), PARA 6) IS REPRESENTING MILFORD'S INTERESTS

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IN THIS CASE. MILFORD POSTED SECOND PERFORMANCE BOND WHICH

GUNN PRESENTED DEPT. OF TRADE IN ORDER BYPASS INDAUS, BUT  
HOUSSAIN WITHDREW THIS BOND WHEN HE DISCOVERED GUNN HAD NO  
CONTRACT.

2. JUNE 27, PERSUANT REF (C), EMBOFF CONTACTED DAVID GILBERT,  
CHAIRMAN INDAUS (AUSTRALIA) WHO THEN VISITING JAKARTA.  
GILBERT INDICATED INDAUS (AUSTRALIA) NEVER HAD ANY RELATION-  
SHIP WITH GUNN. HE ALSO INDICATED THAT ALTHOUGH INDAUS  
"CONTRACT" FOR REMAINING 90,000 TON UREA HAD BEEN CANCELLED,  
THE "AWARD" REMAINED IN EFFECT, AND THAT INDAUS (AUSTRALIA)  
WAS IN PROCESS RENEGOTIATING WITH PRESIDENTIAL PALACE FOR  
A CONTRACT GIVING THE 90,000 TON BALANCE TO EUROPEAN  
SUPPLIERS FRIENDLY TO INDAUS (AUSTRALIA).

3. ACTION REQUESTED: DEPARTMENT PLEASE CONTACT HOUSSAIN  
AND/OR MILFORD TO OBTAIN THEIR INDEPENDENT VIEWS OF  
GUNN TRANSACTION. SECONDLY, EMBASSY WISHES WITHDRAW ITS  
SUGGESTION PARA 6 REF (B) THAT GUNN BE ENCOURAGED VISIT  
INDONESIA. INDAUS (JAKARTA) REP STATED THAT IF GUNN HAD  
REMAINED ONE DAY LONGER IN JAKARTA ON LAST VISIT, INDAUS  
GROUP HAD ARRANGED FOR GOI IMMIGRATION AUTHORITIES RESTRAIN  
HIM FROM DEPARTING. (APPARENTLY DURING THIS VISIT GUNN'S  
JAKARTA AGENTS FORCED HIM AGREE TO WITHDRAW RESTRAINING  
ORDER ON CASHIER'S CHECK--COMMISSION PAYMENT--BUT HE  
INSTEAD SUCCEEDED IN SLIPPING OUT OF TOWN ON LAST FLIGHT.)  
INDAUS (JAKARTA) REP'S FINAL COMMENT WAS "KEEP GUNN OUT OF  
INDONESIA OR HE MAY GET SHOT\*".  
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## Message Attributes

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